Cousineau, Melanie

From: Gadbois St-Cyr, Judith
Sent: February 25, 2020 12:58 PM
To: Lemire, Ashley
Cc: CBSA-ASFC-Media Relations
Subject: RE: For Ashley MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Merci.

De : Lemire, Ashley
Envoyé : 25 février, 2020 12:56
À : Gadbois St-Cyr, Judith
Cc : CBSA-ASFC-Media Relations
Objet : RE: For Ashley - MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

From: Gadbois St-Cyr, Judith <Judith.GadboisSt-Cyr@cbsa-asfc.gc.ca>
Sent: February 25, 2020 12:47 PM
To: Lemire, Ashley <Ashley.Lemire@cbsa-asfc.gc.ca>
Cc: CBSA-ASFC-Media Relations <Media.Relations@cbsa-asfc.gc.ca>
Subject: For Ashley - MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Judith

Issue / Enjeu	Frutti di Bosco Raspberry Imports (Via GAC and CFIA)		
Media / Média	Thomson Reuters / David Sherwood | Dave.Sherwood@tr.com		
Deadline / Échéance	None provide (will be updated when received)	**Call Received**	Feb 14 @ 11:00
Context / Contexte	According to the reporter, between Jan and July of 2016, more than 400 tonnes of the frozen fruit shipped to Canada with fraudulent country of origin and organic labels, according to court filings. Call referred to us via GAC and CFIA to respond to questions on Tarrifs.		

REUTERS SUPPLIED BACKGROUND ON FRUTTI DI BOSCO CASE

"So the following is what we know; details pulled directly from court filings and a Chilean customs press release.

- *In July 2019, Cesar Ramirez Ramirez, a Chilean citizen and legal representative of both Comercializadora and Exportadora Frutti di Bosco, confessed to, and was convicted by a Chilean court in Talcahuano, of falsifying documents that allowed his companies to import frozen raspberries from China to Chile, relabel them as "Product of Chile" and "organic," then ship them to Canada. The recipient was, in most cases, Alasko Foods in Vancouver and Montreal.*
- *Between January and July of 2016 alone, more than 400 tonnes of the frozen fruit shipped to Canada with fraudulent country of origin and organic labels, according to court filings. Court and customs documents show Frutti di Bosco used similar tactics to move large quantities of additional Chinese raspberries, as well as Chinese strawberries, asparagus and blackberries to Canada beginning as early as 2014 (thru at least July 2016), with total shipments of the fraudulently labeled foods valued reaching at least US $12 million. It is not clear whether this fraud continued through 2019, when Ramirez was finally convicted.*
- *The court documents note that China and Canada have not signed a free trade agreement. The above-described scheme, then, was used to move Chinese fruits and vegetables tariff-free into Canada via Chile, in violation of the Canada-Chile Free Trade Agreement, according to the filings.*
- *Chilean customs on December 30, 2016 said it contacted "Canadian Customs" in order to determine whether or not the exported berries had reached Canada and to confirm their status."*

QUESTIONS AND ANSWERS – NOTE: ONLY QUESTIONS 3 & 4 ARE FOR THE CBSA

Q3. The Chinese berries entered Canada tariff-free. Has any effort been made to recoup these tariffs? How and when? CBSA

Q4. Did any Canadian agency conduct its own investigation into the case upon notification? If so, what were the results? Can you please provide the final report for any such investigation undertaken? CBSA

*****

REFERENCE ONLY – OTHER QUESTIONS:

Q1. Did Chilean officials contact the Canadian government? If so, on what date (s)? What information did Chilean officials provide to Canada about the case? What was Canada's response to Chile? GAC?
Q2. Chilean court filings state that the aforementioned fraud violated the Canada-Chile Free Trade Agreement, which is written to ensure trade benefits apply only to the signatory parties. Did the Canadian government take any action after it became aware of the Frutti di Bosco case? Why or why not? GAC
Q5. Many imported fruits enter Canada from foreign countries such as Chile and then are re-exported to the United States. Was the U.S. FDA notified of the Frutti di Bosco case? CFIA?
Q6. What happened to the fraudulently labeled Chinese raspberries once they arrived in Canada? Did Canadian officials contact Alasko Foods, the recipient of the berries? What was the result? Were the fraudulently-labeled berries subsequently pulled from shelves, or did they remain on the market? CFIA
Q7. Were consumers/retail customers of Alasko or any other recipient of the Frutti di Bosco raspberries ever informed by public notice of this fraud? If yes, then how and on what dates? Can you please provide the notices? If they were not informed, why not? CFIA
Q8. Did the Chinese berries, fraudulently labeled as Chilean and organic according to Chilean customs and court documents, pose a health risk to Canadian citizens? What action, if any, did Canada's government undertake to minimize these potential risks? CFIA
Q9. Were any berries imported from Frutti di Bosco between January 1, 2014 and October 1, 2019 ever involved in a food recall or food-borne illness outbreak of any kind? How does the Canadian government know this? CFIA

Q10. Was Frutti di Bosco allowed to continue to shipments into Canada after Chile notified Canadian officials of the fraud? Why or why not? CFIA

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NPUT AND APPROVAL

Doug Band, DG, Trade and Anti-dumping Programs (approved)
Fred Gasper, DG, Commercial Program Directorate (for awareness only)
Ashley Lemire, Manager, Media Relations (pending)
Marc Raider, Executive Director, Media Relations (pending)
Erika-Kirsten Easton, DG Communications (pending)
Peter Hill, VP, Commercial and Trade Branch (for awareness only)
Kathy Thompson, VP Strategic Policy Branch (for awareness only)
Paul Mackinnon, Executive VP (for awareness only)
MO / PCO (for awareness only)

REFERENCE – ORIGINAL SPANISH LANGUAGE ARTICLE

Exportaron frambuesas a Canadá con certificado de origen falso: en realidad eran chinas

• Aduanas logró condena tras comprobar que empresa usó declaraciones y certificados de origen fraudulentos para concretar envíos por US$ 12 millones.

TALCAHUANO, 23/08/2018.- Un inusual caso de exportación con declaración de origen y certificados de origen falsas detectó el Servicio Nacional de Aduanas en una serie de operaciones de envío de frambuesas a Canadá, las cuales indicaban que eran productos chilenos y orgánicos, pero en realidad eran frutas de origen chino.

Este caso quedó al descubierto tras una denuncia y los procesos de control y análisis documentales que realiza constantemente el Servicio como parte de sus Planes Integrados de Fiscalización (PIF) a Posteriori que se aplican en todo Chile, cuyo foco está precisamente en detectar operaciones sospechosas para poder descubrir posibles acciones ilícitas en el contexto de las tramitaciones aduaneras de comercio exterior.

En este caso en particular, los equipos fiscalizadores de la Aduana Regional de Talcahuano, en conjunto con el Departamento de Fiscalización a Posteriori de la Dirección Nacional y la Subsecretaría de Relaciones Exteriores, auditaron una empresa dedicada a la comercialización de frutas que había concretado la exportación a Canadá de varios cargamentos de frambuesas avaluados en US$ 12 millones, logrando levantar la evidencia que configuró el ilícito.

En su declaración aduanera la empresa había asegurado que se trataba de productos de origen “chilenos y orgánicos”, incluyendo el Certificado de Origen y el certificado de producto orgánico, ambos adulterados. Sin embargo, los análisis documentales realizados por Aduanas permitieron determinar que los frutos en realidad eran de origen chino y que habían sido importados a Chile.

Una vez recibidos en un puerto de Talcahuano, los productos fueron enviados a una tercera empresa en Chillán, en cuya planta procesadora se volvieron a envasar y etiquetar bajo la frase “chileno y orgánico” para ser enviados a Canadá. Así es como se configuró el delito de declaración maliciosamente falsa contemplado en el Artículo 169 de la Ordenanza de Aduanas.

El Director de la Aduana Regional, Claudio Cid, explicó que "el buen resultado de esta investigación forma parte de las diversas etapas que tienen nuestros procesos de fiscalización, lo que nos permite controlar la cadena logística y detectar irregularidades o delitos relevantes que afectan al comercio exterior y al país, como ocurrió con este empresa exportadora".

A través de un juicio simplificado realizado en el Juzgado de Garantía de Talcahuano, la Aduana de Talcahuano y la Fiscalía Local lograron que el representante legal de la empresa exportadora fuera condenado a dos penas de sesenta y un días de presidio menor en su grado mínimo, dos penas de suspensión de cargo u oficio público durante el tiempo de la condena y el pago de dos multas al Servicio Nacional de Aduanas por $2.500.000 cada una. En el caso del presidio, se determinó la remisión condicional por lo que el condenado debe presentarse en el Centro de Reinserción Social de Santiago durante un año.

Cousineau, Melanie

From: Lemire, Ashley
Sent: February 18, 2020 10:28 AM
To: Gadbois St-Cyr, Judith (Judith.GadboisSt-Cyr@cbsa-asfc.gc.ca)
Subject: FW: For INPUT / APPROVAL - [redacted] MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Judith,

Can you take this one in Becca's absence?

Thanks,
Ashley

From: Purdy, Rebecca <Rebecca.Purdy@cbsa-asfc.gc.ca>
Sent: February 17, 2020 3:14 PM
To: Carruthers, Tanya <Tanya.Carruthers@cbsa-asfc.gc.ca>
Cc: CBSA-ASFC-Media Relations <Media.Relations@cbsa-asfc.gc.ca>; Kaminska, Colleen <Colleen.Kaminska@cbsa-asfc.gc.ca>; McGiffin, Cailin <Cailin.McGiffin@cbsa-asfc.gc.ca>; Genest, Hubert <Hubert.GENEST@cbsa-asfc.gc.ca>; CBSA.O DGO-TAPD/BDG-DPCA O.ASFC <CBSA.ODGO-TAPD/BDG-DPCAO.ASFC@cbsa-asfc.gc.ca>; Lawton, Alexander <AlexanderB.Lawton@cbsa-asfc.gc.ca>
Subject: RE: For INPUT / APPROVAL - [redacted] MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Hi Tanya,

Rebecca Purdy
Senior Spokesperson | Porte-parole principale
Canada Border Services Agency | Agence des services frontaliers du Canada
rebecca.purdy@cbsa-asfc.gc.ca
Tel: (613) 941-4997 |

From: Carruthers, Tanya <Tanya.Carruthers@cbsa-asfc.gc.ca>
Sent: February 17, 2020 10:51 AM
To: Purdy, Rebecca <Rebecca.Purdy@cbsa-asfc.gc.ca>
Cc: CBSA-ASFC-Media Relations <Media.Relations@cbsa-asfc.gc.ca>; Kaminska, Colleen <Colleen.Kaminska@cbsa-asfc.gc.ca>; McGiffin, Cailin <Cailin.McGiffin@cbsa-asfc.gc.ca>; Genest, Hubert <Hubert.GENEST@cbsa-asfc.gc.ca>; CBSA.O DGO-TAPD/BDG-DPCA O.ASFC <CBSA.ODGO-TAPD/BDG-DPCAO.ASFC@cbsa-asfc.gc.ca>; Lawton, Alexander <AlexanderB.Lawton@cbsa-asfc.gc.ca>
Subject: RE: For INPUT / APPROVAL - [redacted] MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Good morning Rebecca,

T

Tanya Carruthers
960-4213

From: Carruthers, Tanya <Tanya.Carruthers@cbsa-asfc.gc.ca>
Sent: February 17, 2020 8:55 AM
To: Purdy, Rebecca <Rebecca.Purdy@cbsa-asfc.gc.ca>
Cc: CBSA-ASFC-Media Relations <Media.Relations@cbsa-asfc.gc.ca>; Kaminska, Colleen <Colleen.Kaminska@cbsa-asfc.gc.ca>; McGiffin, Cailin <Cailin.McGiffin@cbsa-asfc.gc.ca>; Genest, Hubert <Hubert.GENEST@cbsa-asfc.gc.ca>; CBSA.O DGO-TAPD/BDG-DPCA O.ASFC <CBSA.ODGO-TAPD/BDG-DPCAO.ASFC@cbsa-asfc.gc.ca>; Lawton, Alexander <AlexanderB.Lawton@cbsa-asfc.gc.ca>
Subject: FW: For INPUT / APPROVAL - MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Tanya Carruthers
960-4213

From: Purdy, Rebecca <Rebecca.Purdy@cbsa-asfc.gc.ca>
Sent: February 14, 2020 1:28 PM
To: CBSA.O DGO-TAPD/BDG-DPCA O.ASFC <CBSA.ODGO-TAPD/BDG-DPCAO.ASFC@cbsa-asfc.gc.ca>
Cc: CBSA-ASFC-Media Relations <Media.Relations@cbsa-asfc.gc.ca>; Kaminska, Colleen <Colleen.Kaminska@cbsa-asfc.gc.ca>; McGiffin, Cailin <Cailin.McGiffin@cbsa-asfc.gc.ca>; Genest, Hubert <Hubert.GENEST@cbsa-asfc.gc.ca>
Subject: For INPUT / APPROVAL - MEDIA REQUEST: Frutti di Bosco Raspberry Imports (Thomson Reuters / David Sherwood)

Hello,

We have received a media request from Thomson Reuters's reporter David Sherwood, based out of Santiago, Chile, regarding fraudulently labeled foods, specifically frozen raspberries, that entered Canada from Chile, by way of China to avoid tariffs and duties. In July 2019, Cesar Ramirez Ramirez, a Chilean citizen and legal representative of both Comercializadora and Exportadora Frutti di Bosco, confessed to, and was convicted by a Chilean court in Talcahuano, of falsifying documents that allowed his companies to import frozen raspberries from China to Chile, relabel them as "Product of Chile" and "organic," then ship them to Canada. The recipient was, in most cases, Alasko Foods in Vancouver and Montreal.

Two of the reporter's questions have been sent to the CBSA, via GAC and CFIA, for response (Qs 3-4 below). All the reporter's questions are pasted below as reference.

Thanks so much,

Rebecca Purdy
Senior Spokesperson | Porte-parole principale
Canada Border Services Agency | Agence des services frontaliers du Canada
rebecca.purdy@cbsa-asfc.gc.ca
Tel: (613) 941-4997 |

Issue / Enjeu	Frutti di Bosco Raspberry Imports (Via GAC and CFIA)		
Media / Média	Thomson Reuters / David Sherwood | Dave.Sherwood@tr.com		
Deadline / Échéance	None provide (will be updated when received)	**Call Received**	Feb 14 @ 11:00
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"So the following is what we know; details pulled directly from court filings and a Chilean customs press release.

- *In July 2019, Cesar Ramirez Ramirez, a Chilean citizen and legal representative of both Comercializadora and Exportadora Frutti di Bosco, confessed to, and was*

convicted by a Chilean court in Talcahuano, of falsifying documents that allowed his companies to import frozen raspberries from China to Chile, relabel them as "Product of Chile" and "organic," then ship them to Canada. The recipient was, in most cases, Alasko Foods in Vancouver and Montreal.

- *Between January and July of 2016 alone, more than 400 tonnes of the frozen fruit shipped to Canada with fraudulent country of origin and organic labels, according to court filings. Court and customs documents show Frutti di Bosco used similar tactics to move large quantities of additional Chinese raspberries, as well as Chinese strawberries, asparagus and blackberries to Canada beginning as early as 2014 (thru at least July 2016), with total shipments of the fraudulently labeled foods valued reaching at least US $12 million. It is not clear whether this fraud continued through 2019, when Ramirez was finally convicted.*
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QUESTIONS AND ANSWERS – NOTE: ONLY QUESTIONS 3 & 4 ARE FOR THE CBSA

Q3. The Chinese berries entered Canada tariff-free. Has any effort been made to recoup these tariffs? How and when? CBSA
Q4. Did any Canadian agency conduct its own investigation into the case upon notification? If so, what were the results? Can you please provide the final report for any such investigation undertaken? CBSA

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REFERENCE ONLY – OTHER QUESTIONS:

Q1. Did Chilean officials contact the Canadian government? If so, on what date (s)? What information did Chilean officials provide to Canada about the case? What was Canada's response to Chile? GAC?
Q2. Chilean court filings state that the aforementioned fraud violated the Canada-Chile Free Trade Agreement, which is written to ensure trade benefits apply only to the signatory parties. Did the Canadian government take any action after it became aware of the Frutti di Bosco case? Why or why not? GAC
Q5. Many imported fruits enter Canada from foreign countries such as Chile and then are re-exported to the United States. Was the U.S. FDA notified of the Frutti di Bosco case? CFIA?
Q6. What happened to the fraudulently labeled Chinese raspberries once they arrived in Canada? Did Canadian officials contact Alasko Foods, the recipient of the berries? What was the result? Were the fraudulently-labeled berries subsequently pulled from shelves, or did they remain on the market? CFIA
Q7. Were consumers/retail customers of Alasko or any other recipient of the Frutti di Bosco raspberries ever informed by public notice of this fraud? If yes, then how and on what dates? Can you please provide the notices? If they were not informed, why not? CFIA
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INPUT AND APPROVAL

Doug Band, DG, Trade and Anti-dumping Programs (pending)
Fred Gasper, DG, Commercial Program Directorate (for awareness only)
Ashley Lemire, Manager, Media Relations (pending)
Marc Raider, Executive Director, Media Relations (pending)
Erika-Kirsten Easton, DG Communications (pending)
Peter Hill, VP, Commercial and Trade Branch (for awareness only)
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Paul Mackinnon, Executive VP (for awareness only)
MO / PCO (for awareness only)

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• Aduanas logró condena tras comprobar que empresa usó declaraciones y certificados de origen fraudulentos para concretar envíos por US$ 12 millones.

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Este caso quedó al descubierto tras una denuncia y los procesos de control y análisis documentales que realiza constantemente el Servicio como parte de sus Planes Integrados de Fiscalización (PIF) a Posteriori que se aplican en todo Chile, cuyo foco está precisamente en detectar operaciones sospechosas para poder descubrir posibles acciones ilícitas en el contexto de las tramitaciones aduaneras de comercio exterior.

En este caso en particular, los equipos fiscalizadores de la Aduana Regional de Talcahuano, en conjunto con el Departamento de Fiscalización a Posteriori de la Dirección Nacional y la Subsecretaría de Relaciones Exteriores, auditaron una empresa dedicada a la comercialización de frutas que había concretado la exportación a Canadá de varios cargamentos de frambuesas avaluados en US$ 12 millones, logrando levantar la evidencia que configuró el ilícito.

En su declaración aduanera la empresa había asegurado que se trataba de productos de origen "chilenos y orgánicos", incluyendo el Certificado de Origen y el certificado de producto orgánico, ambos adulterados. Sin embargo, los análisis documentales realizados por Aduanas permitieron determinar que los frutos en realidad eran de origen chino y que habían sido importados a Chile.

Una vez recibidos en un puerto de Talcahuano, los productos fueron enviados a una tercera empresa en Chillán, en cuya planta procesadora se volvieron a envasar y etiquetar bajo la frase "chileno y orgánico" para ser enviados a Canadá. Así es como se configuró el delito de declaración maliciosamente falsa contemplado en el Artículo 169 de la Ordenanza de Aduanas.

El Director de la Aduana Regional, Claudio Cid, explicó que "el buen resultado de esta investigación forma parte de las diversas etapas que tienen nuestros procesos de fiscalización, lo que nos permite controlar la cadena logística y detectar irregularidades o delitos relevantes que afectan al comercio exterior y al país, como ocurrió con este empresa exportadora".

A través de un juicio simplificado realizado en el Juzgado de Garantía de Talcahuano, la Aduana de Talcahuano y la Fiscalía Local lograron que el representante legal de la empresa exportadora fuera condenado a dos penas de sesenta y un días de presidio menor en su grado mínimo, dos penas de suspensión de cargo u oficio público durante el tiempo de la condena y el pago de dos multas al Servicio Nacional de Aduanas por $2.500.000 cada una. En el caso del presidio, se determinó la remisión condicional por lo que el condenado debe presentarse en el Centro de Reinserción Social de Santiago durante un año.